receipts and expenditure anticipated being Rs. 1,87,160 and Rs. 1,78,060 respectively.

The President's Statement on the Budget.

President.—Now that the Finance Member has explained the budget in the Council, I would like to make a statement thereon, and in doing so, I do not propose to take much of your time. In explaining the figures in the budget, the Finance Member has taken considerable pains to make a presentation in a very lucid manner, at the same time avoiding needless and lengthy details. I must congratulate the Finance Member on the excellent speech that he has now made. The one notable characteristic about it is that it contains facts and figures presented in a very convincing way. His speech, it will be noted, has not assumed the length which characterised his speech last year, and the Finance Member did, in my opinion, the right thing in not going over once more the ground of a review of the financial situation for the previous years which he could not help doing in his first budget speech.

Before offering my remarks on the budget for 1102, I may say a word or two about the budget for 1101 which was passed at our first budget session. The one fundamental principle to guide us in making a financial forecast, viz., that receipts should not be overestimated, and the disbursements should not be underestimated, has truly manifested itself as shown by actual results. I will make my position clear by facts and figures. Our budget estimate of revenue for 1101 was Rs. 70,60,300 and the revised estimate Rs. 71,85,700, thus giving an excess of Rs. 1,25,400. On the disbursement side, the budget amount was Rs. 68,92,300, and the revised estimate amounts to Rs. 66,92,600, thus resulting in a saving of Rs. 1,99,700. As against the anticipated surplus of Rs. 1,60,000, we have now a surplus of Rs. 3,25,100. It is very pleasing to note that we have been able to attain such a result.

Great care has been taken in the framing of the budget for the ensuing year, and it will be observed that the budget of 1102 is, like its predecessor, a surplus budget. It is hardly necessary for me to say on this occasion what the process is that is generally adopted in the framing of the budget. The Heads of Departments who are fully alive to their requirements supply the necessary figures both on the receipt and disbursement sides, supplemented with such details as are necessary in regard to various items. These departmental budgets are carefully scrutinised by the Comptroller of Accounts, and, with his remarks, they are submitted to the Diwan for approval. I am

LIBRARY ARCHIVES Kerala Legislative Assembly

glad to note that there has been greater care bestowed by the Heads of Departments in the preparation of the budget, for I was not put to the necessity of making drastic cuts as I had to do last year. Had I adopted the figures furnished by them, the budget would have resulted in a deficit of between 3 and 4 lakhs of rupees. I had to disallow some items for the purpose of balancing the budget, and I do not think that the departments will suffer in any way on this account. There is an impression that, whatever be the figures submitted by the Departmental Heads, there would invariably be cuts here and there by the Diwan, and therefore the Heads of Departments should make ample margin in the figures supplied by them, so that the cuts made by the Diwan do not in the least affect the efficient working of the departments. I cannot say how this impression originated, but I think it is high time for this impression being dispelled, and I may assure my Departmental Heads that, provided they supply figures on the basis of the actual requirements, their figures will not be interfered with, and I for my part will be relieved from the struggle to present a balanced budget by making all possible cuts.

There are a few departments to which I would like to make a reference in this connection. These are Forest, Education, Panchayats, Agriculture and Public Works. As regards Forests, I fully remember the criticisms levelled last year against the expenditure on the Tramway, and I made an earnest attempt to go into the question of the Tramway working. I had the advantage of studying the question at the spot and of travelling on the line from one end to the other. I had the opportunity of a free exchange of views with the Conservator of Forests and the Tramway Engineer, and the Chief Engineer was also with me to give the benefit of his professional advice in the matter. After carefully examining the matter, I came to the conclusion that any further extension of the Tramway was out of the question, and that the Cherakkadavu extension, for which recommendation was made, could not be sanctioned. The question then arose as to whether there was any real transport work to be done by the Tramway; if the extension were not approved, and whether the large amount of money that we are now spending in maintaining it could be justified. The Conservator of Forests has assured me that there will be sufficient work for three years, and I think something can be definitely known about his anticipations at the end of 1102.

As regards the expenditure on the Education Department, it will be observed from the figures furnished by the Finance

LIBRARY ARCHIVES Kerala Legislative Assembly

Member that the expenditure is on the increase every year, and I had occasion to note in passing the budget of the Education Department that we have reached the maximum stage of expenditure in this department. I quite perceive the necessity of making liberal provisions for promoting education, and that we should not, for the sake of saving a few rupees, curtail the expenditure on this most useful department. Our policy has been to encourage private efforts and to hand over Sirkar institutions to private bodies wherever possible. It is also our policy to encourage elementary education in all possible ways and to remove the illiteracy of the masses. For this purpose new schools are being started in rural areas, and every year we are called upon to spend a considerable sum of money for this purpose. So far as the Secondary Education is concerned, it is not such a heavy burden on the State, and I have reason to think that most of our Sirkar Secondary Schools are nearly self-supporting.

In regard to Panchayats, our resources are being heavily taxed year after year, though I feel that contributions should be made on a more liberal basis. I had been visiting the nooks and corners of villages in the State, and representations were made to me at the spot that they had no proper roads, no tanks and wells, no dispensaries, etc. No complaint was heard about want of schools. Unless the contributions are increased, it is not possible to improve the lot of the villagers. Here also a fruitful source of revenue has to be explored for augmenting the resources of the State.

So far as Agriculture is concerned, on account of want of seasonal rains the condition of the agriculturists has been rendered somewhat unsatisfactory, and the problem of irrigation has to be successfully tackled. The one thing we have to keep in view, so far as the agricultural prospects are concerned, is to preserve the water that we get from the rains and not allow it to be wasted. So far as the Chittur Taluk is concerned, we have got an irrigation system, but even there a large quantity of water which could have been preserved for irrigation purposes could not be preserved on account of want of proper facilities. So far as the other taluks of the State are concerned, there is no irrigation system properly so-called, and we have to preserve water in the small rivers and streams by putting up bunds at convenient intervals. Our greatest trouble is, as you all know, with regard to *Kole* lands, and the distress was felt keenly this year on account of absence of rain during the hot weather. The Proceedings and the Press Communique recently published in the Gazette will give a true idea

LIBRARY ARCHIVES Kerala Legislative Assembly

of the situation, and I wish to say that the Government are very earnest in taking up the improvement of the *Kole* lands *at once*.

In regard to Public Works, I have not much to say. That department also is responsible for a heavy expenditure, and from the very nature of things, it is not possible to make any retrenchment. We are now and then called upon to execute costly works, and in every year we have got such works. It is only after satisfying ourselves of the absolute necessity for such expenditure that we venture on the same.

As the Finance Member has pointed out, the expenditure has been kept under careful control. As regards the development of resources, I do not know how far his observations are warranted. You will perhaps perceive that the Government have no big schemes in hand, and, for my part, this is not the time for going in for any big scheme. We have a modest scheme in hand the details of which the Chief Engineer will explain when his turn comes. I refer to the Thanikudom Hydro-electric Scheme, and some useful investigation has been made, and the Government is in earnest in pushing through the scheme. At the same time, the Government will take all possible precautions that the scheme does not result in failure as a few of our schemes unfortunately shared that fate. It has also to be remembered that our surplus is not very large for justifying our launching into costly schemes and projects, and I think it will be an act of prudence on our part to take up one scheme at a time, and, after finishing that, to go to another. We need not perhaps have to be seriously anxious about our finances, if the Customs receipts keep up the present pace. In 1099 the receipt was a little over five lakhs, in 1100 it was over seven lakhs, and this year it is nine lakhs and odd. If there is steady increase like this, there is every justification for us to make liberal contributions for what are called the nation-building departments.

Let me conclude by saying that, in the general discussion of the budget which will engage us to-morrow and the day after, most of the departmental workings will be carefully reviewed both by the non-official and official members, and we will be in a position to know where exactly we stand, and how far our resources justify us in making liberal provisions for the working of the various departments. There is the Special Finance Committee composed of the members of this Council examining the financial resources of the State, and I sincerely hope that their deliberations will prove of great value to the Government in regulating its finances and in conducting the administration on well-ordered and progressive lines.

LIBRARY ARCHIVES Kerala Legislative Assembly